

AR10

DIVIDEND NOTICE

A dividend of 15 cents on Common Shares was declared May 31, 1972 payable July 31, 1972 to Shareholders of record July 7, 1972.



INDUSTRIAL ADHESIVES LIMITED

Head Office and Toronto Plant

90 Tycos Drive, Toronto 19, Ontario

Montreal Plant

255 Labrosse Ave., Pointe Claire 730, P.Q.

File

INDUSTRIAL ADHESIVES LIMITED

INTERIM REPORT
TO SHAREHOLDERS

FOR THE SIX MONTHS ENDED
APRIL 30, 1972

INDUSTRIAL ADHESIVES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(UNAUDITED)

May 31, 1972

We are pleased to submit the financial results of your Company's operations for the first six months of the current fiscal year. Our sales have increased 5.7% and our earnings 12.2% compared with the same period last year. We are successfully absorbing the increased overhead of our new Montreal plant as well as enjoying the economies and efficiencies it has created.

Working capital increased \$121,431 over the twelve months ended April 30, 1972 and our current ratio reached 3.19 to 1 compared with 2.90 to 1 at April 30, 1971. These are good indications of your Company's financial strength and growth.

Since we are in the area of "manufacturing and processing" it appears that we will be able to benefit from certain measures introduced in the latest federal budget. The accelerated depreciation on machinery and equipment additions made after May 8, 1972 and the reduction of corporate tax to 40% effective January 1, 1973 will certainly aid your Company's progress and development.

We are on the threshold of a number of exciting breakthroughs in our product line and look forward to another successful year for your Company.

Respectfully submitted.

C. L. Kalthoff,
President

	April 30, 1972	April 30, 1971
Gross Operating Revenue	\$1,720,310	\$1,627,121
Profit before Income Taxes	\$ 357,550	\$ 327,350
Income Taxes	178,775	168,000
Net Profit	\$ 178,775	\$ 159,350
Common Shares Outstanding	400,000	400,000
Earnings per Common Share	44.7 cents	39.8 cents
Dividends paid per Common Share	30 cents	24 cents

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

(UNAUDITED)

	April 30, 1972	April 30, 1971
Source of Funds		
Consolidated Net Profit	\$ 178,775	\$ 159,350
Add: Depreciation, a non-cash outlay	28,342	23,148
Total Source of Funds, provided from Operations	\$ 207,117	\$ 182,498
Application of Funds		
Net Additions to Fixed Assets	\$ 32,287	\$ 190,880
Purchase of Investments — Net	18,934	3,125
Dividends	120,000	96,000
Total Application of Funds	\$ 171,221	\$ 290,005
Increase (Decrease) in Working Capital	\$ 35,896	(\$ 107,507)
Working Capital at Beginning of Period	753,802	775,774
Working Capital at End of Period	\$ 789,698	\$ 668,267

(For dividend declaration see over)